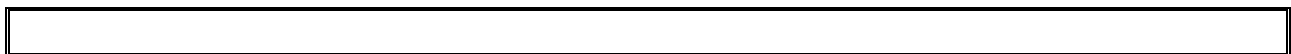


Housing Element
and
Fair Share Plan

Metuchen Borough
Middlesex County

ADOPTED: NOVEMBER 21, 2008



Housing Element

Metuchen Borough
Middlesex County

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METUCHEN BOROUGH/MIDDLESEX COUNTY
HOUSING ELEMENT

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METUCHEN BOROUGH/MIDDLESEX COUNTY
HOUSING ELEMENT

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METUCHEN BOROUGH
MIDDLESEX COUNTY

HOUSING ELEMENT

PREFACE

The Borough of Metuchen is located in Middlesex County, in east central New Jersey. The borough has a land area of 1,836 acres surrounded entirely by the Township of Edison. Metuchen is within an hour's drive of New York City and has a passenger/commuter rail line through downtown. As a built-up community, there is limited vacant land for development. As a result, redevelopment opportunities play an important role in the borough's limited growth.

A municipality's Housing Element must be designed to achieve the goal of providing affordable housing to meet the total 1987-2018 affordable housing need comprised of targeted Growth Share, the Prior Round obligation and the Rehabilitation Share. The regulations of the Council on Affordable Housing (COAH), N.J.A.C. 5:97 et seq., delineate a municipality's strategy for addressing its present and prospective housing needs, and, as such, each municipality's Housing Element must contain the following:

1. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the 10 years subsequent to the adoption of the housing element, taking into account, but not necessarily limited to, construction permits issued, approvals for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including, but not limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing;

6. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing;
7. A map of all sites designated by the municipality for the production of low and moderate income housing and a listing of each site that includes its owner, acreage, lot and block;
8. The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites;
9. Copies of necessary applications for sewer service and water quality management plans submitted pursuant to Sections 201 and 208 of the Federal Clean Water Act, 33 U.S.C. §1251, et seq.;
10. A copy of the most recently adopted municipal master plan, and where required, the immediately preceding, adopted master plan;
11. For each designated site, a copy of the New Jersey Freshwater Wetlands map where available. When such maps are not available, municipalities shall provide appropriate copies of the National Wetlands Inventory maps provided by the U.S. Fish and Wildlife Service;
12. A copy of appropriate United States Geological Survey Topographic Quadrangles for designated sites; and
13. Any other documentation pertaining to the review of the municipal housing element as may be required by the Council.

I. INVENTORY OF HOUSING STOCK

A. Age

More than 82 percent of Metuchen's housing stock was built before 1969. Metuchen has a total housing stock of 5,104 units. The median year that a structure was built in Metuchen was 1953 according to the 2000 census.

TABLE 1

Age of Housing Units

<u>Dates of Construction</u>	<u>Structures</u>	<u>Percent of Total</u>
1939 or earlier	1,400	.27
1940 - 1949	704	.14
1950 - 1959	1,295	.25
1960 - 1969	790	.16
1970 - 1979	381	.08
1980 - 1989	318	.06
1990 - 1994	76	.01
1995 - 1998	118	.02
1999 - 2000	22	.00
TOTAL UNITS	5,104	.99*

Source: 2000 Census of Population and Housing

* Does not add up due to rounding

Units built before 1949 and contain 1.01 or more persons per room are highly correlated with substandard housing indicators. This is an index utilized by COAH in determining the Rehabilitation Share. Metuchen had some overcrowding and some units that lacked complete kitchen and plumbing facilities. This is generally an important indicator in calculating Metuchen's Rehabilitation Share and explains why Metuchen's Rehabilitation Share is 42 units.

B. Condition

Rehabilitation Share is the total deficient housing signaled by selected housing unit characteristics unique to each community. It is assumed that units so indicated will be prime candidates for rehabilitation. Characteristics indicating a need for rehabilitation are:

- (1) Persons per Room. 1.01 or more persons per room in housing units built 1949 or before. These are old units that are overcrowded.
- (2) Plumbing Facilities. Inadequate plumbing sufficient for rehabilitation is indicated by incomplete plumbing facilities, i.e., lack of hot and cold piped water, flush toilet or bathtub/shower.

- (3) Kitchen Facilities. Inadequate kitchen facilities signaling rehabilitation are indicated by the non–presence of kitchen facilities within the unit, or the non–presence of one of three components: a sink with piped water, a stove or a refrigerator.

These characteristics of deficient housing are nationally recognized indicators of housing inadequacy. Each one, properly identified and not double-counted or multiplied is enough to signal the call for unit rehabilitation. This is true not solely because the characteristic specified is itself debilitating but rather signals a unit that is either old or missing a basic component of normal housing services. These characteristics exist at the municipal level, are reported by the U.S. Census such that they can be isolated and not over counted, and individually indicate the need for structure rehabilitation.

The age of Metuchen’s housing stock has been presented in Table 1. Tables 2 through 4 address the other surrogates of deficient housing.

TABLE 2

Persons Per Room

Persons Per Room	Occupied	Owner Occupied	Renter Occupied
1.01 to 1.50	23	19	4
1.51 to 2.00	62	34	28
2.01 or more	0	0	0
TOTAL	85	53	32

Source: 2000 Census of Population and Housing

TABLE 3

Plumbing Facilities

Complete plumbing facilities	5,078
Lacking complete plumbing facilities	26

Source: 2000 Census of Population and Housing

TABLE 4

Kitchen Facilities

Complete kitchen facilities	5,087
Lacking complete kitchen facilities	17

Source: 2000 Census of Population and Housing

Based on the above, COAH has determined that Metuchen has 42 housing units that are substandard and occupied by low and moderate income households.

C. Purchase and Rental Value

Approximately 65 percent of the owner-occupied housing units in Metuchen had values between \$150,000 and \$299,999. The median value was \$195,300.

TABLE 5

Owner-Occupied Housing Unit Values

	<u>Units</u>	<u>Percent</u>
Less than \$49,999	13	0
\$50,000 - \$59,999	5	0
\$60,000 - \$69,999	20	0
\$70,000 - \$99,999	127	.03
\$100,000 - \$124,999	311	.08
\$125,000 - \$149,999	360	.09
\$150,000 - \$174,999	537	.13
\$175,000 - \$199,999	790	.20
\$200,000 - \$249,999	767	.19
\$250,000 - \$299,999	511	.13
\$300,000 - \$399,999	389	.10
\$400,000 - \$499,999	123	.03
\$500,000 - \$749,999	75	.02
\$750,000 - \$999,999	0	0
\$1,000,000 or more	0	0
TOTAL	4,028	1.00

Median Value \$195,300

Source: 2000 Census of Population and Housing

Of the 927 rental units with cash rent in Metuchen, 449 or 48 percent had rents between \$750 and \$1,249 per month. The median contract rent was \$783 per month.

TABLE 6

Contract Rent Values

With cash rent:

\$0 - \$ 99	13
\$100 - \$149	12
\$150 - \$199	28
\$200 - \$249	18
\$250 - \$299	15
\$300 - \$349	32
\$350 - \$399	22
\$400 - \$449	20
\$450 - \$499	36
\$500 - \$549	26
\$550 - \$599	37
\$600 - \$649	22
\$650 - \$699	40
\$700 - \$749	45
\$750 - \$999	304
\$1,000 - \$1,249	145
\$1,250 - \$1,499	56
\$1,500 - \$1,999	56
\$2,000 - or more	0
Total	927
No cash rent	37
Median contract rent	\$783

Source: 2000 U.S. Census of Population and Housing

D. Occupancy Characteristics and Types

Approximately 80 percent of the housing in Metuchen is owner occupied. Approximately 19 percent of the housing stock is rental.

TABLE 7

Tenure and Vacancy

	Housing Units
Total Occupied	4,992
Occupied:	4,028
Owner Occupied	964
Renter Occupied	
Vacant:	112
For rent	60
For sale only	23
Rented or sold, not occupied	11
For seasonal, recreational, or occasional use	7
For migrant workers	0
Other vacant	11

Source: 2000 Census of Population and Housing

E. Units Affordable to Low and Moderate Income Households

Units are affordable to low and moderate income households if the maximum sales price or rent is set within a COAH specified formula. A moderate income household is a household whose gross family income is more than 50 percent of median income, but less than 80 percent of median income for households of the same size within the housing region. A low income household is a household whose gross family income is equal to or less than 50 percent of median gross household income for a household of the same size within the housing region for Metuchen. Metuchen is in Region 3 which encompasses Middlesex, Somerset and Hunterdon counties.

Using current regional income limits adopted by COAH, a four person Middlesex County median household income is estimated at \$96,700. A moderate-income four person household would earn a maximum of \$77,360 (80 percent of regional median) and a four person low-income household would earn a maximum of \$48,350 (50 percent of regional median).

Income levels for one, two, three and four person households as of 2008 are given below:

TABLE 8

2008 Low and Moderate Regional Incomes

Income	1 person	2 persons	3 persons	4 persons
Median	\$67,060	\$76,640	\$86,220	\$95,800
Moderate	\$53,648	\$61,312	\$68,976	\$76,640
Low	\$33,530	\$38,320	\$43,110	\$47,900

Source: COAH, 2008 Income Limits

Based on the qualifying formula in N.J.A.C. 5:80-26, the monthly cost of shelter which includes mortgage (principal and interest), taxes, insurance and homeowners or condominium association fees, may not exceed 28 percent of gross monthly household income based on a five percent downpayment. In addition, moderate income sales units must be available for at least three different prices and low income sales units available for at least two different prices. The maximum sales prices must now be affordable to households earning no more than 70 percent of median income. The sales prices must average 55 percent of median income.

Under COAH regulations, rents including utilities, may not exceed 30 percent of gross monthly income. The average rent must now be affordable to households earning 52 percent of median income. The maximum rents must be affordable to households earning no more than 60 percent of median income. In averaging 52 percent, one rent may be established for a low income unit and one rent for a moderate income unit for each bedroom distribution. In addition, 13 percent of all the affordable units must be affordable to households earning no more than 30 percent of median income. The utility allowance must be consistent with the utility allowance approved by HUD and utilized in New Jersey.

Metuchen currently has the following low and moderate income housing that qualifies for COAH credit.

<u>NAME</u>	<u>TYPE</u>	<u>NUMBER</u>
Franklin Square/School	Family Sales	15
Central Square of Metuchen	Family Rentals	7
Homestead at Metuchen	Family Rentals	15
Metuchen Corners	Family Rental	1
Berringer House	Shared Home	6 bedrooms
50 Aylin Street	Family Sales	1
Franklin School	Family Sales	5
Lincoln Avenue Seniors	Senior Rentals	122

II. PROJECTION OF HOUSING STOCK

A. Building Permits

According to the New Jersey Department of Labor, Residential Building Permits Issued, there were 255 new building permits issued in Metuchen from 1990-1999. Between 2000 and August 2008, there were 207 new residential building permits issued.

B. Future Construction of Low and Moderate Income Housing

Metuchen will address the future construction of low and moderate income housing in the Fair Share Plan.

III. DEMOGRAPHIC CHARACTERISTICS

A. Population

The population in Metuchen increased slightly between 1990 and 2000. Table 9 illustrates the figures.

TABLE 9

Population

Year	Population
1990	12,804
2000	12,840

Sources: 1990 and 2000 Census of Population and Housing

TABLE 10

Population CharacteristicsSELECTED POPULATION CHARACTERISTICS

Approximately 47 percent of Metuchen residents are between the ages of 25 and 54 years. Interestingly, 3,206 residents or nearly 25 percent of the population are 55 or older.

	<u>Number</u>	<u>Percentage</u>
<u>TOTAL POPULATION</u>	12,840	100
<u>SEX</u>		
Male	6,229	.49
Female	6,611	.51
<u>AGE</u>		
	<u>Male</u>	<u>Female</u>
Under 5 years	397	406
5 to 17 years	1,221	937
18 to 20 years	101	160
21 to 24 years	167	197
25 to 44 years	2,012	2021
45 to 54 years	945	1070
55 to 59 years	329	439
60 to 64 years	326	259
65 to 74 years	377	583
75 to 84 years	321	425
85 years and over	33	114

Source: 2000 Census of Population and Housing

B. Household Size and Type

A household profile of Metuchen shows that there were 4,985 households with a total household population of 12,840 in 2000. The average number of persons per household was 2.57.

TABLE 11

Household Profile 2000

	<u>Total Number</u>
Households	4,985
Population of households	12,812
Persons per household	2.57

Source: 2000 Census of Population and Housing

TABLE 12

Household Type and Relationship

Total	12,840
In households:	12,812
householder:	3,593
Male	2,722
Female	871
Spouse	2,953
child:	3,804
Natural born/adopt	3,739
step	65
grandchild	176
other relatives	363
non-relatives	158
In non-family households:	1,722
householders living alone	1,148
householders not living alone	250
Non-relatives	324
In group quarters:	28
Institutionalized population	0
Non-institutionalized population	28

Source: 2000 Census of Population and Housing

TABLE 13

Type of Housing Units by Structure

Units in Structure	Total Units
1, detached	3,704
1, attached	423
2	294
3 or 4	193
5 to 9	177
10 to 19	73
20 to 49	27
50 or more	213
Mobile home or trailer	0
Other	0
TOTAL	5,104

Source: 2000 Census of Population and Housing

C. Income Level

Approximately, 45 percent of the households in Metuchen earned between \$60,000 and \$149,999 according to the 2000 census.

TABLE 14
Household Income

<u>Household Income</u>	<u>Number</u>	<u>Percent</u>
\$0 –9,999	162	.03
\$10,000-\$14,999	163	.03
\$15,000-\$19,999	138	.03
\$20,000-\$24,999	120	.02
\$25,000-\$29,999	154	.03
\$30,000-\$34,999	178	.04
\$35,000-\$39,999	226	.05
\$40,000-\$44,999	157	.03
\$45,000-\$49,999	209	.04
\$50,000-\$59,999	367	.07
\$60,000-\$99,999	1,385	.28
\$100,000-\$149,999	1,040	.21
\$150,000-\$199,999	354	.07
\$200,000 or more	338	.07
TOTAL	4,991	100

Median Household Income \$75,546

Source: 2000 Census of Population and Housing

D. Age

The age of the Metuchen population has been discussed under Section III, Demographic Characteristics, A. Population.

E. Marital Status

In 2000, there were more women than men over the age of 15 years in Metuchen. There were slightly more males that never married. Of those widowed, 80 percent were females.

TABLE 15

Sex by Marital Status - Persons 15 Years and over

Marital Status	Total	Male	Female
Total	10,359	4,925	5,434
Never Married	2,585	1,420	1,165
Now Married	6,272	3,139	3,133
Widowed	741	145	596
Divorced	761	221	540

Source: 2000 Census of Population and Housing

IV. EXISTING AND PROBABLE FUTURE EMPLOYMENT CHARACTERISTICS

Of the 6,744 Metuchen residents employed in the civilian labor force, 54 percent are in educational, health and social service occupations or construction, manufacturing, wholesale trade, retail trade and transportation fields.

TABLE 16
Occupation
Employed Persons 16 Years and Over

	Male	Female	Total
Finance, insurance, real estate	431	332	763
Construction, manufacturing, wholesale trade, retail trade, transportation	1,347	784	2,131
Information	231	173	404
Arts, entertainment, recreation, accommodation and food services	215	167	382
Professional, scientific and technical services	605	425	1,030
Educational, health and social services	476	1071	1547
Public administration	138	85	223
Other services	116	148	264
Total	3,559	3,185	6,744

Source: 2000 U.S. Census of Population and Housing

According to the New Jersey State Data Center, Metuchen had a covered employment number of 6,409 in 2006. However, in 2003, Metuchen only had 5,785 covered employment jobs. According to the borough, Metuchen was coming out of a mild recession in 2003. Nevertheless, 2006 was a good year while 2008 will be flat. Thereafter, Metuchen expects a one percent growth each year.

TABLE 17

Employment Status Within Metuchen

<u>INDUSTRY</u>	<u>ANNUAL AVERAGE UNITS</u>	<u>AVERAGE</u>
Construction	41	234
Manufacturing	32	954
Wholesale trade	30	194
Retail trade	55	462
Transportation and warehousing	9	90
Information	6	84
Finance and insurance	31	235
Real estate and rental and leasing	22	99
Professional and technical services	110	604
Administrative and waste services	23	319
Educational services		
Health care and social assistance	62	546
Arts, entertainment, and recreation	34	461
Accommodation and food services		
Other services, except public administration	78	734
Unclassified entities	58	68
PRIVATE SECTOR MUNICIPALITY TOTAL	606	5,245
FEDERAL GOVT MUNICIPALITY TOTAL	1	46
LOCAL GOVT MUNICIPALITY TOTAL	8	494

Source: NJ Employment and Wages: 2003 Annual Report

V. TOTAL OBLIGATION FOR REHABILITATION AND PRIOR ROUND

A. REHABILITATION SHARE

Metuchen has a 42-unit rehabilitation obligation.

B. PRIOR ROUND OBLIGATION

Metuchen has a 99-unit obligation from the Prior Round.

VI. GROWTH SHARE OBLIGATION

Metuchen accepts the COAH household and employment projections in Appendix F of the COAH rules. Metuchen accepts the 241 new household projections and the 1,151 new jobs with the adjustment because of second round projects coming on-line after 2004.

VIII. PLAN ENDORSEMENT

Metuchen filed a Pre-Petition with the Office of Smart Growth on December 11, 2007. The borough is still completing the Municipal Self-Assessment report that is expected to be submitted by the end of 2008.

VII. ANALYSIS OF EXISTING AND FUTURE ZONING TO ACCOMMODATE GROWTH PROJECTIONS

Metuchen believes that the existing zoning can accommodate the growth projections based on the affordable housing options selected. No additional zoning changes are necessary.

A. Availability of Existing and Planned Infrastructure

Metuchen Borough is an established, stable community with a limited number of vacant developable parcels. The borough's infrastructure is fully developed and has been maintained and upgraded, within the resources available, to support projected development and growth, primarily in the downtown area. Water, storm water and sewage systems are all well maintained and capable of handling increased demand.

B. Anticipated Demand for Types of Uses Permitted by Zoning Based on Present and Anticipated Future Demographic Characteristics

As Metuchen is a built-up community, there is minimal vacant land and future new development will be the result of redevelopment, infill and adaptive reuse.

C. Anticipated Land Use Patterns

Metuchen is undergoing changes in land use patterns. Changes in market demand have established a strong downtown housing market which attracts smaller households, typically without children, who are attracted to the convenience of easily available restaurants and downtown service. One of Metuchen's longstanding planning goals is to direct the development of new housing into centralized locations that are convenient to shopping, the railroad station and employment opportunities in and near the downtown area. This goal is consistent with Metuchen's Town Center designation. In the neighborhoods further from the downtown, adding on and renovating existing houses has become common practice and are increasing the residential square footage on already small lots. Responding to strong public sentiment, the borough has taken measures to limited to type of growth generated by subdivision application with variances. These new infill houses and expansions outside of the downtown area continue to be occupied by families as well as the market rate housing that is available for sale.

D. Economic Development Policies

The borough envisions economic development as a synthesis of development and redevelopment supporting an efficient, compact commercial core. Over the past 15 years, the borough has been focused on improving its economic base by coordinating revitalization efforts in its downtown area. Metuchen is aiming to develop a mix of

viable commercial uses now that traditional retail uses have given way to the service sector such as restaurants and other food and beverage uses. The borough also planned for a cluster of non-residential uses in the Gateway area, near the I-287 interchange. This area is also largely built-out.

E. Constraints on Development

1. State and federal regulations: Metuchen is not in the Pinelands, Highlands area or CAFRA and there are no known constraints.
2. Land ownership patterns: The borough is one of the smaller communities in north-central Middlesex County and consists of approximately 2.8 square miles. A mix of residential land use ownership presently exists throughout the borough of which 81 percent is owner-occupied and the balance is renter-occupied. Metuchen is clearly a central place which owes much of its compact, traditional form to the period in which it originally developed, including its rail station and downtown area and its municipal boundary with Edison Township.
3. Incompatible land uses: One problem noted in earlier Master Plans was the extent to which non-residential uses encroached upon residential areas. As a result, Metuchen revised its Land Development Ordinance to limit the further expansion of neighborhood commercial areas outside the center of town, while encouraging the location and expansion of such uses in the downtown.

4. Sites needing remediation:

There are two sites in Metuchen that need remediation: Gulton and Oakite.

5. Environmental constraints:

The Gulton and Oakite tracts have environmental constraints that preclude or significantly increase the cost of residential development. These constraints have been recognized by COAH in granting Metuchen's previous certification and vacant land adjustment.

6. Existing or planned measures to address any constraints:

There are no existing or planned measures to address the level of remediation necessary for the above sites.

Fair Share Plan

Metuchen Borough
Middlesex County

PREFACE

A municipality's affordable housing obligation is cumulative, and includes affordable housing need for the period 1987 to 2018. The affordable housing obligation consists of three components:

- Rehabilitation Share (2000)
- Prior Round Obligation (1987-1999)
- Growth Share (2000-2018)

A municipality's Rehabilitation Share is a measure of deficient housing that is occupied by low- and moderate-income households. Rehabilitation Share numbers from each prior round are replaced with the latest round number because the numbers are updated with each decennial census.

A municipality may receive credit for rehabilitation of low- and moderate-income deficient housing units completed after April 1, 2000 provided the units were rehabilitated up to the applicable code standard, the capital cost spent on rehabilitating a unit was at least \$10,000 and the units have the appropriate controls on affordability to ensure the unit remains affordable during the required period of time.

Rehabilitation credits cannot exceed the Rehabilitation Share and can only be credited against the rehabilitation component, not the new construction component.

The prior round obligation is the municipal new construction obligation from 1987 to 1999. All municipalities participating in the COAH process must use these figures. COAH continues to offer credits, reductions, and adjustments that may be applied against the Prior Round obligation (1987-1999) for affordable housing activity undertaken from 1980 to 1999.

II. REHABILITATION SHARE

The purpose of a rehabilitation program is to renovate deficient housing units. Deficient housing units are defined as units with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing, (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems. Upon rehabilitation, the housing deficiencies must be corrected and the unit must comply with the applicable code standard.

A municipality must demonstrate that it has the capability to administer a rehabilitation program by either designating an experienced employee to administer the program or entering into an agreement with a governmental agency or private consultant to administer all or some of the program. A municipality must provide the consultant or municipal employee's credentials to administer the program as well as a procedures manual.

Rental units cannot be excluded from a municipal rehabilitation program. There must be at least 10-year affordability controls placed on both owner-occupied units and rental units. For owner-

occupied units, these controls may be in the form of a lien filed with the appropriate property's deed. For rental units, the controls must be in the form of a deed restriction and may also include a lien. Units rehabilitated after April 1, 2000 are eligible for credits against the Rehabilitation Share.

The municipal investment for the rehabilitation of a unit must be at least \$10,000 per unit. Documentation must also be submitted demonstrating adequate funding source(s) and a resolution of intent to bond in the event there is a shortfall of funds.

A municipality is also required to prepare and submit a rehabilitation manual to COAH that summarizes the administration of the rehabilitation program including an affirmative marketing plan.

COAH has calculated Metuchen's Rehabilitation Share to be 42 units. Metuchen proposes to address the rehabilitation obligation through its on-going participation in the Middlesex County Rehabilitation Program that is funded through the Community Development Block Grant Program. The program is open to income eligible residents of the borough because Metuchen is part of the Middlesex Urban County Consortium. All units to be rehabilitated must be below code, have one major system in need of repair or replacement and then raised to code after the rehabilitation is completed. The county places a life lien on all rehabilitated units. Metuchen understands that COAH already has a copy of the Middlesex County Rehabilitation Manual. Metuchen has had two units rehabilitated to date. Metuchen intends to aggressively market this program. If there are insufficient funds for this program, Metuchen has adopted a Resolution of Intent to Bond for any shortfall.

III. PRIOR ROUND OBLIGATION

COAH has determined that Metuchen's Prior Round Obligation is 99 units.

With a Rehabilitation Share of 42 units, Metuchen has a pre-credited need of 141 units.

However, Metuchen had a vacant land adjustment for 79 units. It is understood that COAH will honor this vacant land adjustment. As a result, Metuchen's prior round obligation is reduced to 20 units which was confirmed when COAH granted Metuchen second round substantive certification.

However, since receiving certification, Metuchen granted approvals for a five-unit development at La Porta Court and eight units at 344 Amboy Avenue. There were no affordable units provided by these two developments. As a result, with a 20 percent set-aside of affordable housing, the 13 units would increase the 20-unit RDP by three units to 23. Therefore, Metuchen has a total prior round obligation of 65 units: 42 rehabilitation and 23 new.

A. Rental Obligation and Rental Bonuses

The rental component is calculated as follows:

$$.25 (\text{RDP})$$

$$.25 (23)$$

$$.25 (23) = 5.75 \text{ or } 6$$

Therefore, Metuchen has a rental obligation of six units.

B. Maximum Age-restricted Units.

A municipality may receive credit for age-restricted units according to the following formula:

$$.25 (\text{RDP} + \text{rehabilitation component} - \text{rehabilitation credits})$$

$$.25 (23+42-2)$$

$$.25 (63) = 15$$

Based on this formula, Metuchen is eligible to age-restrict 15 units for COAH credit.

C. Regional Contribution Agreement (RCA) Maximum

A municipality may transfer one-half of its obligation to another willing municipality within the COAH housing region. The formula for calculating the maximum RCA is as follows:

$$.50 (\text{RDP} + \text{rehabilitation component} - \text{rehabilitation credits} - \text{any unit transferred as a result of previously approved RCA}).$$

$$.50 (23+42-2)-0$$

$$.50 (63) = 31$$

Based on this formula, Metuchen may enter into an RCA not to exceed 31 units.

D. Implementation

Metuchen's second round Housing Element and Fair Share Plan received substantive certification from COAH on August 2, 2000. The following components of Metuchen's second round certified plan will address Metuchen's prior round obligation of 23 units:

PROJECT	NUMBER	TYPE
Berringer House	6	Shared Bedrooms
Franklin School / Square	4	Family For Sale
50 Aylin Street	1	Family For Sale
Central Square of Metuchen	6	Family Rentals
Central Square of Metuchen	6	Rental Bonuses
TOTAL	23	

1. Berringer House (Block 108, Lot 7.01) is a six-bedroom, age-restricted, shared living residence that resulted from the conversion of a former single-family residence. Opened in 1992, the house is located on a half-acre tract on the corner of Grove Avenue and Stoneham Place. All of the units are low-income rentals with private bedrooms and a common living/dining/kitchen area. All documentation is on file in the COAH offices.

2. Franklin Square (Block 85, Lots 1, 12-19, 24-27, 38 & 100) is also known as the Franklin School site and contains a total of 105 multi-family units of which 15 are for-sale affordable townhouses. Ten are low income and five are moderate-income units. Four of the 15 affordable units will address Metuchen's prior round obligation and 11 will address growth share. All documentation is on file with COAH.

3. Central Square of Metuchen (Block 44, Lot 1.12) contains a total of 72 family rental units of which seven are moderate income rentals. Six will address the Prior Round obligation and are eligible to receive six rental bonus credits. All documentation is on file with COAH.

4. 50 Aylin Street (Block 46, Lot 43, COO5A) is an owner-occupied, moderate-income unit created by converting a former garage below an existing, seven unit apartment building. The entire building, including the affordable unit, was subsequently converted to condominium ownership. The one affordable unit is administered by HAS. All documentation is on file with COAH.

Because Metuchen had a vacant land adjustment, Metuchen had to address its unmet need. As a result, the Borough adopted an Affordable Housing Ordinance in 1992 that requires any townhouse, garden apartment or other multi-family residential development, including PURDs, containing a total of 10 or more dwelling units, to set aside a minimum of 10 percent of the total number of units as affordable housing. Inclusionary developments are excluded from this Ordinance. Any affordable housing that is the result of a 10 or more unit development is credited to unmet need.

A site known as the Cryan site, which is a mixed-used site, will contain 16 rental apartments of which three will be affordable units. Once constructed, these three affordable units will go towards unmet need.

It is noted that Metuchen has amended the Ordinance and reduced the minimum number of units for a set-aside obligation to five units. As a result, any affordable units that are the result of a five-to-nine-unit development are credited toward growth share and any affordable units that are the result of a development of 10 or more units are credited toward unmet need. The Ordinance is on file with COAH.

IV. GROWTH SHARE OBLIGATION

The Fair Share Plan includes the projects and strategies to address an affordable housing obligation and any municipal ordinance in draft form that a municipality is required to adopt as a requirement of certification. The Fair Share Plan is based upon the municipal fair share obligation developed by COAH. The planning board adopts the Fair Share Plan and it is endorsed by the governing body prior to the petition for substantive certification. The proposed implementing ordinances may be adopted prior to substantive certification but in any event must be adopted no later than 45 days after COAH grants substantive certification.

The Fair Share Plan consists of a proposal on how a municipality intends to provide for its affordable housing obligation. Once certified, the plan will be monitored by COAH to verify that the construction or provision of affordable housing is in proportion to the actual residential growth and employment growth. Zoned sites addressing a prior obligation will also be reviewed at these intervals.

COAH rules have a number of different provisions regulating the development of affordable housing. The options available to meet the 2000-2018 fair share obligation include:

- Municipal zoning
 - Zoning for inclusionary developments
 - Redevelopment districts/sites
- Municipally sponsored new construction and 100 percent affordable developments
- Alternative living arrangements
 - Permanent supportive housing
 - Group homes
 - Congregate housing
 - Residential health care facilities
- Accessory apartments
- Market to Affordable Program
- Municipally sponsored rental program
- Assisted living residences
- Expanded crediting opportunities
- Extension of affordable units with expiring controls
- Age-restricted housing
- Rental housing with bonus credits
- Very low-income housing with bonus credit

A. Obligation

COAH has given Metuchen a targeted Growth Share obligation of 120 units. However, Metuchen has the Cryan site that addresses the Prior Round unmet need. As a result, the COAH program adjusted Metuchen's Growth Share obligation to 117 units.

With a 117-unit Growth Share obligation, Metuchen has a 30-unit rental obligation and may receive credit for 29 units of age-restricted housing.

B. Implementation

The following surplus credits from the Prior Round and certified plan are proposed to meet a part of Metuchen's targeted Growth Share obligation:

PROJECT	NUMBER	TYPE
Homestead at Metuchen	15	Family Rentals
Metuchen Corners	1	Family For Sale
Central Square of Metuchen	1	Family Rental
Franklin Square/ School	11	Family For Sale
TOTAL	28	

The following are proposed developments/programs:

NAME	NUMBER	TYPE
The District at Metuchen	24	Family For Sale
The District at Metuchen	24	Compliance Bonus
Amboy Holdings	2	Family Sales
Group Homes	8	Bedrooms
Group Homes	2	Bonuses
Lincoln Ave. Seniors	29 eligible (122 total)	Market to Affordable

In addition, Metuchen will receive two rental bonuses for eight shared supportive living units and 24 compliance bonuses for 24 units at The District at Metuchen. These 24 family units were the focus of a development that received preliminary approval on December 20, 2007, and were also included as an affordable housing mechanism to address the growth share obligation in a third round plan submitted to COAH on July 13, 2006. In addition, the development approval provides for the affordable family units to be built on-site. As a result, they are eligible for credit pursuant to N.J.A.C. 5:97-4.

1. Homestead at Metuchen (Block 49, Lot 57.01 and Block 49.01, Lot 1) is located on approximately six acres on Central Avenue. The tract became an inclusionary tract as the result of a COAH mediation. The development contains a total of 77 units of which eight are moderate income rental units and seven are low income rental units. The complex was completed and occupied in 2000. All documentation is on file with COAH.

2. Central Square of Metuchen has been addressed under the Prior Round.
3. Franklin Square/School has been discussed under the Prior Round Obligation section. Eleven of the 15 affordable units will address Growth Share.
4. Metuchen Plaza Associates, LLC and The District at Metuchen, LLC are the owners of land that was previously known as McDade/Renaissance and is now called The District at Metuchen. This land is an assemblage of multiple blocks and was the focus of a development application that received preliminary approval on December 20, 2007. The current zoning is D-1. The developer proposed a total of 131 units of which 24 will be affordable to low and moderate-income families. The total acreage is 5.85 acres and the site is surrounded by a rail line, commercial and proposed residential development. The following blocks and lots comprise the site: Block 110, Lots 2, 3, 30.01, 30.02, 30.03, 30.04, 31, 33.03, 34, 35, 36, 37, 38, 39 and a portion of Lot 42; Block 111, Lots 2 and 3 and Block 35, a portion of Lot 5. Metuchen is calculating 24 bonuses.

Metuchen is a designated center. The site has water and sewer capacity and is in a mixed-use area. Access is from Central Avenue and there are no known environmental constraints.

5. The Metuchen Senior Citizens Housing is also known as the Lincoln Avenue Seniors (Block 208, Lot 150) and contains 122 apartments. The land and property were originally financed by the New Jersey Housing and Mortgage Finance Agency (HMFA) in 1977. Then in 1999, Metuchen Associates, LLC, the owner/sponsor requested to prepay the First Mortgage Loan and transfer ownership to Metuchen Associates, LLC. In the deed transferring ownership dated March 9, 1999, Metuchen Associates agreed to comply with HMFA's requirements until October 1, 2009. At that time, the deed further extends the controls on affordability to 2042. The deed restriction states that from October 1, 2009 through October 1, 2042 the owner must comply with the outlined requirements in the deed restriction and regulatory agreement that is on file with COAH. One of the requirements is that "At least 20% of the units in the Project shall be reserved at all times for occupancy by persons of low or moderate income...." Twenty percent would be 25 senior rentals. However, the owner has agreed to maintain the balance of the non-restricted units as affordable to low income seniors. As a result, 97 of the balance of the units are now eligible for Market to Affordable crediting. (Previously, that was incorrectly coded as extending controls, which is not the case). The reason that the owner agreed was because Metuchen negotiated a PILOT in return for having the market rate units restricted to income eligible seniors. A copy of the PILOT agreement was included in a December 19, 2007 letter to COAH.
6. Metuchen Corners

Metuchen Corners (Block 44, Lot 1.12) is located at 10 Mulberry Lane and is one moderate income family sale unit. Metuchen Corners is a 10-unit inclusionary development. All documentation is on file with COAH.

7. Amboy Holdings (Block 197, Lots 52 and 56) is located on the south side of Amboy Avenue between Main Street and Green Street. The property is located in the R-4 Residential Zone and will contain 12 market rate townhouses. Amboy Holdings is to provide two affordable family units off-site but within Metuchen. Amboy Holdings received preliminary approval from the Metuchen Borough Zoning Board of Adjustment on September 11, 2007. Amboy Holdings must file an application for final site plan approval no later than November 8, 2010 which is when the affordable units are expected to come on-line.
8. Metuchen is proposing eight group home bedrooms. Metuchen will contract with an experienced group home provider. Metuchen will provide at least \$50,000 per bedroom to subsidize the cost of each bedroom. Development fees will be utilized for the program. Metuchen is calculating two rental bonuses for the eight group home bedrooms as per N.J.A.C. 5:97-3.6 (a) 2.

The following chart represents Metuchen's plan to address a 117-unit obligation:

NAME	NUMBER	TYPE
Homestead at Metuchen	15	Family Rentals
Metuchen Corners	1	Family Rental
Central Square of Metuchen	1	Family Rental
Franklin School/Square	11	Family For Sale
The District at Metuchen	24	Family For Sale
The District at Metuchen	24	Compliance Bonuses
Lincoln Avenue Seniors	29	Extend Controls - Rentals
Amboy Holdings	2	Family For Sale
Group Homes	8	Bedrooms
Group Homes	2	Rental Bonus
TOTAL	117	